

Article 7.

Taxation.

§ 153A-146. General power to impose taxes.

(a) Authority. – A county may impose taxes only as specifically authorized by act of the General Assembly. Except when the statute authorizing a tax provides for penalties and interest, the power to impose a tax includes the power to impose reasonable penalties for failure to declare tax liability, if required, and to impose penalties or interest for failure to pay taxes lawfully due within the time prescribed by law or ordinance. In determining the liability of any taxpayer for a tax, a county may not employ an agent who is compensated in whole or in part by the county for services rendered on a contingent basis or any other basis related to the amount of tax, interest, or penalty assessed against or collected from the taxpayer. The power to impose a tax also includes the power to provide for its administration in a manner not inconsistent with the statute authorizing the tax.

(b) Prohibition. – A county may not impose a license, franchise, or privilege tax on a person engaged in any of the businesses listed in this subsection:

- (1) Supplying piped natural gas.
- (2) Providing telecommunications service taxed under G.S. 105-164.4(a)(4c).
- (3) Providing video programming taxed under G.S. 105-164.4(a)(6).
- (4) Providing electricity. (1868, c. 20, s. 8; Code, s. 707; Rev., s. 1318; C.S., s. 1297; 1973, c. 822, s. 1; 2012-152, s. 4; 2012-194, s. 61.5(b); 2015-6, s. 2.18(b); 2015-109, s. 1.)

§ 153A-147. Remedies for collecting taxes other than property taxes.

In addition to any other remedies provided by law, a county may collect any county tax by use of the remedies of levy and sale and attachment and garnishment, under the rules and according to the procedures prescribed by the Machinery Act (Chapter 105, Subchapter II) for the enforcement of tax liability against personal property. However, these remedies become available only on the due date of the tax and not before that time. (1973, c. 822, s. 1.)

§ 153A-148. Continuing taxes.

Except for taxes levied on property under the Machinery Act (Chapter 105, Subchapter II), a county may impose any authorized tax by a permanent ordinance that shall stand from year to year until amended or repealed, and it is not necessary to reimpose the tax in each annual budget ordinance. (1973, c. 822, s. 1.)

§ 153A-148.1. Disclosure of certain information prohibited.

(a) Disclosure Prohibited. – Notwithstanding Chapter 132 of the General Statutes or any other law regarding access to public records, local tax records that contain information about a taxpayer's income or receipts are not public records. A current or former officer, employee, or agent of a county who in the course of service to or employment by the county has access to information about the amount of a taxpayer's income or receipts may not disclose the information to any other person unless the disclosure is made for one of the following purposes:

- (1) To comply with a court order or a law.
- (2) Review by the Attorney General or a representative of the Attorney General.

- (3) To sort, process, or deliver tax information on behalf of the county, as necessary to administer a tax.
- (4) To exchange information with a regional public transportation authority or a regional transportation authority created pursuant to Article 26 or Article 27 of Chapter 160A of the General Statutes, when the information is needed to fulfill a duty imposed on the authority or on the county.
- (5) To exchange information with the Department of Revenue, when the information is needed to fulfill a duty imposed on the Department or on the county.
- (6) To include on a property tax receipt the amount of property taxes due and the amount of property taxes deferred on a residence classified under G.S. 105-277.1B, the property tax homestead circuit breaker.
- (7) To disclose to the authorized finance officer of any municipality located within the county tax information in the possession of the county, as necessary to administer a tax.

(b) Punishment. – A person who violates this section is guilty of a Class 1 misdemeanor. If the person committing the violation is an officer or employee, that person shall be dismissed from public office or public employment and may not hold any public office or public employment in this State for five years after the violation. (1993, c. 485, s. 33; 1994, Ex. Sess., c. 14, s. 66; 1998-139, s. 2; 2008-35, s. 1.4; 2016-92, s. 3.1(a).)

§ 153A-149. Property taxes; authorized purposes; rate limitation.

(a) Pursuant to Article V, Sec. 2(5) of the Constitution of North Carolina, the General Assembly confers upon each county in this State the power to levy, within the limitations set out in this section, taxes on property having a situs within the county under the rules and according to the procedures prescribed in the Machinery Act (Chapter 105, Subchapter II).

(b) Each county may levy property taxes without restriction as to rate or amount for the following purposes:

- (1) Courts. – To provide adequate facilities for and the county's share of the cost of operating the General Court of Justice in the county.
- (2) Debt Service. – To pay the principal of and interest on all general obligation bonds and notes of the county.
- (3) Deficits. – To supply an unforeseen deficiency in the revenue (other than revenues of public enterprises), when revenues actually collected or received fall below revenue estimates made in good faith and in accordance with the Local Government Budget and Fiscal Control Act.
- (4) Elections. – To provide for all federal, State, district and county elections.
- (5) Jails. – To provide for the operation of a jail and other local confinement facilities.
- (6) Joint Undertakings. – To cooperate with any other county, city, or political subdivision in providing any of the functions, services, or activities listed in this subsection.
- (7) Schools. – To provide for the county's share of the cost of kindergarten, elementary, secondary, and post-secondary public education.
- (8) Social Services. – To provide for public assistance required by Chapters 108A and 111 of the General Statutes.

(c) Each county may levy property taxes for one or more of the purposes listed in this subsection up to a combined rate of one dollar and fifty cents (\$1.50) on the one hundred dollars (\$100.00) appraised value of property subject to taxation. Authorized purposes subject to the rate limitation are:

- (1) To provide for the general administration of the county through the board of county commissioners, the office of the county manager, the office of the county budget officer, the office of the county finance officer, the office of the county assessor, the office of the county tax collector, the county purchasing agent, and the county attorney, and for all other general administrative costs not allocated to a particular board, commission, office, agency, or activity of the county.
- (2) Agricultural Extension. – To provide for the county's share of the cost of maintaining and administering programs and services offered to agriculture by or through the Agricultural Extension Service or other agencies.
- (3) Air Pollution. – To maintain and administer air pollution control programs.
- (4) Airports. – To establish and maintain airports and related aeronautical facilities.
- (5) Ambulance Service. – To provide ambulance services, rescue squads, and other emergency medical services.
- (6) Animal Protection and Control. – To provide animal protection and control programs.
- (6a) Arts Programs and Museums. – To provide for arts programs and museums as authorized in G.S. 160A-488.
- (6b) Auditoriums, coliseums, and convention and civic centers. – To provide public auditoriums, coliseums, and convention and civic centers.
- (7) Beach Erosion and Natural Disasters. – To provide for shoreline protection, beach erosion control, and flood and hurricane protection.
- (8) Cemeteries. – To provide for cemeteries.
- (9) Civil Preparedness. – To provide for civil preparedness programs.
- (10) Debts and Judgments. – To pay and discharge any valid debt of the county or any judgment lodged against it, other than debts and judgments evidenced by or based on bonds and notes.
- (10a) Defense of Employees and Officers. – To provide for the defense of, and payment of civil judgments against, employees and officers or former employees and officers, as authorized by this Chapter.
- (10b) Economic Development. – To provide for economic development as authorized by G.S. 158-7.1.
- (10c) Energy Financing. – To provide financing for renewable energy and energy efficiency in accordance with a program established under G.S. 153A-455.
- (11) Fire Protection. – To provide fire protection services and fire prevention programs.
- (12) Forest Protection. – To provide forest management and protection programs.
- (13) Health. – To provide for the county's share of maintaining and administering services offered by or through the local health department.
- (14) Historic Preservation. – To undertake historic preservation programs and projects.

- (15) Hospitals. – To establish, support and maintain public hospitals and clinics, and other related health programs and facilities, or to aid any private, nonprofit hospital, clinic, related facility, or other health program or facility.
- (15a) Housing Rehabilitation. – To provide for housing rehabilitation programs authorized by G.S. 153A-376, including personnel costs related to the planning and administration of these programs. This subdivision applies only to counties with a population of 400,000 or more, according to the most recent decennial federal census.
- (15b) Housing. – To undertake housing programs for low- and moderate-income persons as provided in G.S. 153A-378.
- (16) Human Relations. – To undertake human relations programs.
- (16a) Industrial Development. – To provide for industrial development as authorized by G.S. 158-7.1.
- (17) Joint Undertakings. – To cooperate with any other county, city, or political subdivision in providing any of the functions, services, or activities listed in this subsection.
- (18) Law Enforcement. – To provide for the operation of the office of the sheriff of the county and for any other county law-enforcement agency not under the sheriff's jurisdiction.
- (19) Libraries. – To establish and maintain public libraries.
- (20) Mapping. – To provide for mapping the lands of the county.
- (21) Medical Examiner. – To provide for the county medical examiner or coroner.
- (22) Mental Health. – To provide for the county's share of the cost of maintaining and administering services offered by or through the area mental health, developmental disabilities, and substance abuse authority.
- (23) Open Space. – To acquire open space land and easements in accordance with Article 19, Part 4, Chapter 160A of the General Statutes.
- (24) Parking. – To provide off-street lots and garages for the parking and storage of motor vehicles.
- (25) Parks and Recreation. – To establish, support and maintain public parks and programs of supervised recreation.
- (26) Planning. – To provide for a program of planning and regulation of development in accordance with Article 18 of this Chapter and Article 19, Parts 3A and 6, of Chapter 160A of the General Statutes.
- (26a) Ports and Harbors. – To participate in programs with the North Carolina Ports Authority and provide for harbor masters.
- (27) Public Transportation. – To provide public transportation by rail, motor vehicle, or another means of conveyance other than a ferry, including any facility or equipment needed to provide the public transportation. This subdivision does not authorize a county to provide public roads in the county in violation of G.S. 136-51.
- (27a) Railway Corridor Preservation. – To acquire property for railroad corridor preservation as authorized by G.S. 160A-498.
- (28) Register of Deeds. – To provide for the operation of the office of the register of deeds of the county.

- (28a) Roads. – To provide for the maintenance of county roads as authorized by G.S. 153A-301(d).
- (29) Sewage. – To provide sewage collection and treatment services as defined in G.S. 153A-274(2).
- (30) Social Services. – To provide for the public welfare through the maintenance and administration of public assistance programs not required by Chapters 108A and 111 of the General Statutes, and by establishing and maintaining a county home.
- (31) Solid Waste. – To provide solid waste collection and disposal services, and to acquire and operate landfills.
- (31a) Stormwater. – To provide structural and natural stormwater and drainage systems of all types.
- (32) Surveyor. – To provide for a county surveyor.
- (33) Veterans' Service Officer. – To provide for the county's share of the cost of services offered by or through the county veterans' service officer.
- (34) Water. – To provide water supply and distribution systems.
- (35) Watershed Improvement. – To undertake watershed improvement projects.
- (36) Water Resources. – To participate in federal water resources development projects.
- (37) Armories. – To supplement available State or federal funds to be used for the construction (including the acquisition of land), enlargement or repair of armory facilities for the North Carolina National Guard.

(d) With an approving vote of the people, any county may levy property taxes for any purpose for which the county is authorized by law to appropriate money. Any property tax levy approved by a vote of the people shall not be counted for purposes of the rate limitation imposed in subsection (c).

The county commissioners may call a referendum on approval of a property tax levy. The referendum may be held at the same time as any other referendum or election, but may not be otherwise held within the period of time beginning 30 days before and ending 10 days after any other referendum or election to be held in the county and already validly called or scheduled by law at the time the tax referendum is called. The referendum shall be conducted by the county board of elections. The clerk to the board of commissioners shall publish a notice of the referendum at least twice. The first publication shall be not less than 14 days and the second publication not less than seven days before the last day on which voters may register for the referendum. The notice shall state the date of the referendum, the purpose for which it is being held, and a statement as to the last day for registration for the referendum under the election laws then in effect.

The proposition submitted to the voters shall be substantially in one of the following forms:

- (1) Shall ____ County be authorized to levy annually a property tax at a rate not in excess of ____ cents on the one hundred dollars (\$100.00) value of property subject to taxation for the purpose of ____?
- (2) Shall ____ County be authorized to levy annually a property tax at a rate not in excess of that which will produce \$____ for the purpose of ____?
- (3) Shall ____ County be authorized to levy annually a property tax without restriction as to rate or amount for the purpose of ____?

If a majority of those participating in the referendum approve the proposition, the board of commissioners may proceed to levy annually a property tax within the limitations (if any) described in the proposition.

The board of elections shall canvass the referendum and certify the results to the board of commissioners. The board of commissioners shall then certify and declare the result of the referendum and shall publish a statement of the result once, with the following statement appended: "Any action or proceeding challenging the regularity or validity of this tax referendum must be begun within 30 days after (date of publication)." The statement of results shall be filed in the clerk's office and inserted in the minutes of the board.

Any action or proceeding in any court challenging the regularity or validity of a tax referendum must be begun within 30 days after the publication of the results of the referendum. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of or any irregularity in the referendum shall be asserted, nor shall the validity of the referendum be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed herein.

Except for supplemental school taxes and except for tax referendums on functions not included in subsection (c) of this section, any referendum held before July 1, 1973, on the levy of property taxes is not valid for the purposes of this subsection. Counties in which such referendums have been held may support programs formerly supported by voted property taxes within the general rate limitation set out in subsection (c) at any appropriate level and are not subject to the former voted rate limitation.

(e) With an approving vote of the people, any county may increase the property tax rate limitation imposed in subsection (c) and may call a referendum for that purpose. The referendum may be held at the same time as any other referendum or election, but may not be otherwise held within the period of time beginning 30 days before and ending 30 days after any other referendum or election. The referendum shall be conducted by the county board of elections.

The proposition submitted to the voters shall be substantially in the following form: "Shall the property tax rate limitation applicable to ____ County be increased from ____ on the one hundred dollars (\$100.00) value of property subject to taxation to ____ on the one hundred dollars (\$100.00) value of property subject to taxation?"

If a majority of those participating in the referendum approve the proposition, the rate limitation imposed in subsection (c) shall be increased for the county.

(f) With respect to any of the categories listed in subsections (b) and (c) of this section, the county may provide the necessary personnel, land, buildings, equipment, supplies, and financial support from property tax revenues for the program, function, or service.

(g) This section does not authorize any county to undertake any program, function, joint undertaking, or service not otherwise authorized by law. It is intended only to authorize the levy of property taxes within the limitations set out herein to finance programs, functions, or services authorized by other portions of the General Statutes or by local acts. (1973, c. 803, s. 1; c. 822, s. 2; c. 963; c. 1446, s. 25; 1975, c. 734, s. 17; 1977, c. 148, s. 5; c. 834, s. 3; 1979, c. 619, s. 4; 1981, c. 66, s. 2; c. 562, s. 11; c. 692, s. 1; 1983, c. 511, ss. 1, 2; 1985, c. 589, s. 57; 1987, c. 45, s. 2; c. 697, s. 2; 1989, c. 600, s. 5; c. 625, s. 25; c. 643, s. 1; 1989 (Reg. Sess., 1990), c. 1005, ss. 3-5; 1991 (Reg. Sess., 1992), c. 764, s. 1; c. 896, s. 1; 1993, c. 378, s. 2; 1997-502, s. 6; 1999-366, s. 3; 2002-159, s. 50(a); 2002-172, s. 2.4(a); 2003-416, s. 2; 2009-281, s. 1; 2010-167, s. 4(b); 2013-360, s. 15.28(f).)

§ 153A-150. Reserve for reappraisal.

Before the beginning of the fiscal year immediately following the effective date of a reappraisal of real property conducted as required by G.S. 105-286, the county budget officer shall present to the board of commissioners a budget for financing the cost of the next reappraisal. The budget shall estimate the cost of the reappraisal and shall propose a plan for raising the necessary funds in annual installments during the intervening years between reappraisals, with all installments as nearly uniform as practicable. The board shall consider this budget, making any amendments to the budget it deems advisable, and shall adopt a resolution establishing a special reserve fund for the next reappraisal. In the budget ordinance of the first fiscal year of the plan, the board of commissioners shall appropriate to the special reappraisal reserve fund the amount set out in the plan for the first year's installment. When the county budget for each succeeding fiscal year is in preparation, the board shall review the reappraisal budget with the budget officer and shall amend it, if necessary, so that it will reflect the probable cost at that time of the reappraisal and will produce the necessary funds at the end of the intervening period. In the budget ordinance for each succeeding fiscal year, the board shall appropriate to the special reappraisal reserve fund the amount set out in the plan as due in that year.

Moneys appropriated to the special reappraisal reserve fund shall not be available or expended for any purpose other than the reappraisal of real property required by G.S. 105-286, except that the funds may be deposited at interest or invested as permitted by G.S. 159-30. If there is a fund balance in the reserve fund following payment for the required reappraisal, it shall be retained in the fund for use in financing the next required reappraisal.

Within 10 days after the adoption of each annual budget ordinance, the county finance officer shall report to the Department of Revenue, on forms to be supplied by the Department, the terms of the county's reappraisal budget, the current condition of the special reappraisal reserve fund, and the amount appropriated to the reserve fund in the current fiscal year. (1959, c. 704, s. 6; 1971, c. 806, s. 4; c. 931, s. 2; 1973, c. 476, s. 193; c. 822, s. 1; 2008-146, s. 1.3.)

§ 153A-151. Sales tax.

A county may levy a local sales and use tax under the rules and according to the procedures prescribed by the Local Government Sales and Use Tax Act (Chapter 105, Subchapter VIII). (1973, c. 822, s. 1.)

§ 153A-152: Repealed by Session Laws 2014-3, s. 12.3(b), effective July 1, 2015.

§ 153A-152.1: Repealed by Session Laws 2014-3, s. 12.3(b), effective July 1, 2015.

§ 153A-153. Animal tax.

A county may levy an annual license tax on the privilege of keeping dogs and other pets within the county. (1973, c. 822, s. 1.)

§ 153A-154: Repealed by Session Laws 2006-151, s. 11, effective January 1, 2007.

§ 153A-154.1. Uniform penalties for local meals taxes.

(a) Penalties. – Notwithstanding any other provision of law, the civil and criminal penalties that apply to State sales and use taxes under Chapter 105 of the General Statutes apply to local meals taxes. The governing board of a taxing county has the same authority to waive the penalties for a local meals tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(b) Scope. – This section applies to every county authorized by the General Assembly to levy a meals tax. As used in this section, the term "meals tax" means a tax on prepared food and drink. (2001-264, s. 1.)

§ 153A-155. Uniform provisions for room occupancy taxes.

(a) Scope. – This section applies only to counties the General Assembly has authorized to levy room occupancy taxes.

(b) Levy. – A room occupancy tax may be levied only by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto. A room occupancy tax shall become effective on the date specified in the resolution levying the tax. That date must be the first day of a calendar month, however, and may not be earlier than the first day of the second month after the date the resolution is adopted.

(c) Collection. – A retailer who is required to remit to the Department of Revenue the State sales tax imposed by G.S. 105-164.4(a)(3) on accommodations is required to remit a room occupancy tax to the taxing county on and after the effective date of the levy of the room occupancy tax. The room occupancy tax applies to the same gross receipts as the State sales tax on accommodations and is calculated in the same manner as that tax. A rental agent or a facilitator, as defined in G.S. 105-164.4F, has the same responsibility and liability under the room occupancy tax as the rental agent or facilitator has under the State sales tax on accommodations.

If a taxable accommodation is furnished as part of a package, the bundled transaction provisions in G.S. 105-164.4D apply in determining the sales price of the taxable accommodation. If those provisions do not address the type of package offered, the person offering the package may determine an allocated price for each item in the package based on a reasonable allocation of revenue that is supported by the person's business records kept in the ordinary course of business and calculate tax on the allocated price of the taxable accommodation.

A retailer must separately state the room occupancy tax. Room occupancy taxes paid to a retailer are held in trust for and on account of the taxing county.

The taxing county shall design and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax. A retailer who collects a room occupancy tax may deduct from the amount remitted to the taxing county a discount equal to the discount the State allows the retailer for State sales and use tax.

(d) Administration. – The taxing county shall administer a room occupancy tax it levies. A room occupancy tax is due and payable to the county finance officer in monthly installments on or before the 20th day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the 20th day of each month, prepare and render a return on a form prescribed by the taxing county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the county finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

(e) Penalties. – A person, firm, corporation, or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State sales and use taxes. The governing board of the taxing county has the same authority to waive the penalties for a room occupancy tax that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

(f) Repeal or Reduction. – A room occupancy tax levied by a county may be repealed or reduced by a resolution adopted by the governing body of the county. Repeal or reduction of a room occupancy tax shall become effective on the first day of a month and may not become effective until the end of the fiscal year in which the resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax that was attached before the effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the effective date of the repeal or reduction.

(f1) Use. – The proceeds of a room occupancy tax shall not be used for development or construction of a hotel or another transient lodging facility.

(g) Applicability. – Subsection (c) of this section applies to all counties and county districts that levy an occupancy tax. To the extent subsection (c) conflicts with any provision of a local act, subsection (c) supersedes that provision. The remainder of this section applies only to Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell, Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin, Durham, Edgecombe, Forsyth, Franklin, Graham, Granville, Halifax, Haywood, Henderson, Jackson, Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton, Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan, Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, Wayne, and Wilson Counties, to Harnett County District H, New Hanover County District U, Surry County District S, Watauga County District U, Wilkes County District K, Yadkin County District Y, and the Township of Averagesboro in Harnett County and the Ocracoke Township Taxing District. (1997-102, s. 3; 1997-255, s. 2; 1997-342, s. 2; 1997-364, s. 3; 1997-410, s. 6; 1998-14, s. 2; 1999-155, s. 2; 1999-205, s. 2; 1999-286, s. 2; 2000-103, s. 5; 2001-162, s. 2; 2001-305, s. 2; 2001-321, s. 3; 2001-381, s. 10; 2001-434, s. 1; 2001-439, s. 18.2; 2001-468, s. 3; 2001-480, s. 14; 2001-484, s. 2; 2002-138, s. 5; 2004-106, s. 2; 2004-120, s. 3; 2004-170, ss. 36(a), 42(a); 2004-199, s. 60(a); 2005-16, s. 2; 2005-46, s. 1.2; 2005-53, s. 2; 2005-197, s. 6; 2005-233, s. 6.1; 2006-120, s. 8.1; 2006-127, s. 2; 2006-128, s. 6; 2006-129, s. 2; 2006-162, s. 20(a); 2006-167, s. 7(e); 2006-264, s. 81(a); 2007-19, s. 3; 2007-63, s. 3; 2007-223, s. 3; 2007-224, s. 5; 2007-265, s. 2; 2007-315, s. 2; 2007-318, s. 2; 2007-337, s. 3; 2007-340, s. 9; 2007-527, ss. 23, 43; 2008-33, s. 2; 2008-134, s. 12(b); 2008-187, s. 31; 2009-112, s. 4; 2009-157, s. 2; 2009-297, s. 3; 2010-31, ss. 31.6(c), (d); 2010-78, s. 10; 2010-123, s. 10.2; 2011-113, s. 4; 2011-115, s. 4; 2011-170, s. 5; 2012-100, s. 1; 2012-144, s. 4; 2012-194, s. 35; 2013-255, s. 3; 2015-128, s. 7; 2015-255, s. 6.1; 2017-202, s. 9.1(b); 2018-5, s. 38.10(e).)

§ 153A-156. Gross receipts tax on short-term leases or rentals.

(a) As a substitute for and in replacement of the ad valorem tax, which is excluded by G.S. 105-275(42), a county may levy a gross receipts tax on the gross receipts from the short-term lease or rental of vehicles at retail to the general public. The tax rate shall not exceed one and one-half percent (1.5%) of the gross receipts from such short-term leases or rentals.

(b) If a county enacts the substitute and replacement gross receipts tax pursuant to this section, any entity required to collect the tax shall include a provision in each retail short-term lease or rental agreement noting that the percentage amount enacted by the county of the total lease or rental price, excluding highway use tax, is being charged as a tax on gross receipts. For purposes of this section, the transaction giving rise to the tax shall be deemed to have occurred at the location of the entity from which the customer takes delivery of the vehicle. The tax shall be collected at the time of lease or rental and placed in a segregated account until remitted to the county.

(c) The collection and use of taxes under this section are not subject to highway use tax and are not included in the gross receipts of the entity. The proceeds collected under this section belong to the county and are not subject to creditor liens against the entity.

(d) A tax levied under this section shall be collected by the county but otherwise administered in the same manner as the tax levied under G.S. 105-164.4(a)(2).

(e) The following definitions apply in this section:

(1) Short-term lease or rental. – Defined in G.S. 105-187.1(4).

(2) Vehicle. – Any of the following:

- a. A motor vehicle of the passenger type, including a passenger van, minivan, or sport utility vehicle.
- b. A motor vehicle of the cargo type, including cargo van, pickup truck, or truck with a gross vehicle weight of 26,000 pounds or less used predominantly in the transportation of property for other than commercial freight and that does not require the operator to possess a commercial drivers license.
- c. A trailer or semitrailer with a gross vehicle weight of 6,000 pounds or less.

(f) The penalties and remedies that apply to local sales and use taxes levied under Subchapter VIII of Chapter 105 of the General Statutes apply to a tax levied under this section. The county board of commissioners may exercise any power the Secretary of Revenue may exercise in collecting local sales and use taxes. (2000-2, s. 2; 2000-140, s. 75(b).)

§ 153A-156.1. Heavy equipment gross receipts tax in lieu of property tax.

(a) Definitions. – The following definitions apply in this section:

(1) Heavy equipment. – Earthmoving, construction, or industrial equipment that is mobile, weighs at least 1,500 pounds, and meets any of the descriptions listed in this subdivision. The term includes an attachment for heavy equipment, regardless of the weight of the attachment.

- a. It is a self-propelled vehicle that is not designed to be driven on a highway.
- b. It is industrial lift equipment, industrial material handling equipment, industrial electrical generation equipment, or a similar piece of industrial equipment.

(2) Short-term lease or rental. – Defined in G.S. 105-187.1.

(b) Tax Authorized. – A county may, by resolution, impose a tax at the rate of one and two-tenths percent (1.2%) on the gross receipts from the short-term lease or rental of heavy equipment by a person whose principal business is the short-term lease or rental of heavy equipment at retail. The heavy equipment subject to this tax is exempt from property tax under G.S. 105-275, and this tax provides an alternative to a property tax on the equipment. A person is

not considered to be in the short-term lease or rental business if the majority of the person's lease and rental gross receipts are derived from leases and rentals to a person who is a related person under G.S. 105-163.010.

The tax authorized by this section applies to gross receipts that are subject to tax under G.S. 105-164.4(a)(2). Gross receipts from the short-term lease or rental of heavy equipment are subject to a tax imposed by a county under this section if the place of business from which the heavy equipment is delivered is located in the county.

(c) Payment. – A person whose principal business is the short-term lease or rental of heavy equipment is required to remit a tax imposed by this section to the county finance officer. The tax is payable quarterly and is due by the last day of the month following the end of the quarter. The tax is intended to be added to the amount charged for the short-term lease or rental of heavy equipment and paid to the heavy equipment business by the person to whom the heavy equipment is leased or rented.

(d) Enforcement. – The penalties and collection remedies that apply to the payment of sales and use taxes under Article 5 of Chapter 105 of the General Statutes apply to a tax imposed under this section. The county finance officer has the same authority as the Secretary of Revenue in imposing these penalties and remedies.

(e) Effective Date. – A tax imposed under this section becomes effective on the date set in the resolution imposing the tax. The date must be the first day of a calendar quarter and may not be sooner than the first day of the calendar quarter that begins at least two months after the date the resolution is adopted.

(f) Repeal. – A county may, by resolution, repeal a tax imposed under this section. The repeal is effective on the date set in the resolution. The date must be the first day of a calendar quarter and may not be sooner than the first day of the calendar quarter that begins at least two months after the date the resolution is adopted. (2008-144, s. 2.)